



Payment Coupon (IL-501) and Instructions

General Information

What's new for 2008?

Public Act 95-8 made significant changes to the Illinois Income Tax withholding law, which become effective January 1, 2008.

Payment due dates change to semi-weekly, monthly, and annual. Each year, we will tell you when your Payment Coupons (Form IL-501) are due and when to file your returns (Form IL-941 or IL-941-A) for the new tax year. All taxpayers will be assigned to one of three due date schedules: semi-weekly, monthly, or annual. You must use the due date schedule we assign to you.

Note Taxpayers who are assigned to the annual due date schedule should use the new Form IL-941-A, Illinois Yearly Withholding Income Tax Return, to file **and pay** their withholding tax.

The payment due dates are determined by the total tax withheld during the "look-back" period, which is the one-year period ending on June 30 of the immediately preceding calendar year. For this first year, the look-back period is July 1, 2006, through June 30, 2007. Taxpayers who, during the look-back period, reported

- more than \$12,000, are assigned to the semi-weekly due date schedule.
- more than \$1,000, but no more than \$12,000, are assigned to the monthly due date schedule.
- \$1,000 or less, are assigned to the annual due date schedule.

Note There are exceptions. New taxpayers are automatically assigned to the monthly due date schedule, as are those who would qualify for the annual due date schedule, but are not in good standing with the department.

The size of the coupon has changed. If you use a software package, check to make sure updates have been made.

Due Date Schedules

Semi-weekly (frequent)	
You must	By
Pay using EFTPS, TaxNet, FSET, EFT, or a Payment Coupon (IL-501)	Wednesday for amounts withheld on the preceding Wednesday, Thursday, or Friday, and Friday for amounts withheld on the preceding Saturday, Sunday, Monday, or Tuesday

Monthly	
You must	By
Pay using EFTPS, TaxNet, FSET, EFT, or a Payment Coupon (IL-501)	15th of each month for amounts withheld the preceding month

Annual	
You must	By
File and pay using EFTPS, TaxNet, FSET, EFT, or Form IL-941-A	January 31 of the following year for amounts withheld the entire preceding year

A Payment Coupon is **not** required if

- you pay electronically,
- you were assigned to the annual due date schedule, or
- you have chosen the household method of withholding (see Publication 121, Illinois Income Tax Withholding for Household Employees, for requirements)

You still must file Form IL-941, Illinois Quarterly Withholding Income Tax Return, if you were assigned to the monthly or semi-weekly due date schedule, or Form IL-941-A, Illinois Yearly Withholding Income Tax Return, if you were assigned to the annual due date schedule.

Can my due dates change during the year?

- If you are assigned to the semi-weekly due date schedule, your schedule will not change.
- If you are assigned to the annual or monthly due date schedule and you exceed \$12,000 in withholding during any quarter, you must use the semi-weekly due date schedule for the following quarter, the remainder of the year, and the subsequent year.

Note It is your responsibility to use EFTPS, TaxNet, FSET, EFT, or call us so we can issue a withholding coupon booklet.

May I pay electronically?

Yes, you may pay electronically (no matter how you file Form IL-941 or Form IL-941-A), using any of the following methods.

- **EFTPS** (Electronic Federal Tax Payment System) allows you to make both your federal and Illinois withholding payments at the same time for free. Visit eftps.gov, then click on "STATE PILOT".

Who must use a Payment Coupon?

You must use a Payment Coupon and send a payment using the monthly or semi-weekly due date schedule we assigned to you. Taxpayers who were assigned to the annual due date schedule should file **and pay** using Form IL-941-A.

Tax is considered to be withheld on the day you pay the wages from which the tax is withheld.



Illinois Department of Revenue

Payment Coupon IL-501

Complete the following information.

Tax year _____

Federal employer identification number _____ Seq. number _____

Business name _____

Number and street address _____

City _____ State _____ ZIP _____

(_____) _____
Daytime phone

IL-501 (R-12/07) IL-492-0053

Check the appropriate box to tell us when you withheld the withholding income tax you are paying. Check one box only.

1 ☐
Jan
Feb
Mar

2 ☐
Apr
May
Jun

3 ☐
Jul
Aug
Sep

4 ☐
Oct
Nov
Dec

Amount paid: \$ _____

- Send this payment coupon (IL-501), along with your remittance, payable to "Illinois Department of Revenue".

• Mail to: **ILLINOIS DEPARTMENT OF REVENUE**
PO BOX 19447
SPRINGFIELD IL 62794-9447

- Do not mail us a payment coupon (IL-501) if you electronically pay or to report a zero amount.

- **Direct Debit** is a payment option available when you file electronically using **TaxNet** or Federal State Employment Tax (**FSET**).
- **EFT** (electronic funds transfer) has two payment options. **ACH credit** instructs your financial institution to transfer funds from your account to ours. **ACH debit** is your instruction to us to take the payment from your account.

Note If your annual tax liability meets or exceeds \$200,000, you must use an electronic payment method.

For additional electronic payment information, visit our web site at **tax.illinois.gov**; call our EFT staff at **217 782-6257**; send a fax to them at **217 524-8282**; or write to Electronic Funds Transfer Division, Illinois Department of Revenue, PO Box 19015, Springfield, IL 62794-9015.

What penalties may be assessed?

Your payment due dates are based on the day you pay your employees. To avoid penalties, all tax withheld must be paid by each payment due date. We occasionally may ask you to provide payroll information.

You will owe a **late-payment penalty** if you are required to make annual, monthly, or semi-weekly tax payments and do not do so, or do not pay the required amount by the payment due date. In addition, a **bad check penalty** of \$25 will be assessed if you send a remittance to the department that is not honored by your financial institution. This penalty will be assessed in addition to any other penalty.

For more information about penalties and interest, see Publication 103, Uniform Penalties and Interest.

Where do I get help?

- Visit our web site at **tax.illinois.gov**
- Call our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**
- Call our TTY at **1 800 544-5304**
- Write to
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19015
SPRINGFIELD IL 62794-9015

Step-by-step Instructions

Step 1:

Write the tax year in the space provided and check the appropriate box to indicate when you withheld the tax you are paying. Write your federal employer identification number (FEIN), business name, and complete address.

Step 2:

Write the amount you are paying.

Step 3:

Make your remittance payable to “**Illinois Department of Revenue**.” Write your FEIN, check the box to tell us which quarter the payment applies to, and “Payment Coupon” on your remittance.

Mail your Payment Coupon and payment to:

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19447
SPRINGFIELD IL 62794-9447

Do not send us a Payment Coupon

- if you make your payment electronically,
- if you were assigned to the annual due date schedule, or
- showing a blank or zero amount.

Payment stub for Payment Coupon

Complete this stub and keep for future reference.

____/____/____ Quarter ended	_____ Amount of payment
_____ Tax withheld	_____ Check number
	____/____/____ Date filed